



United States Department of the Interior

MINERALS MANAGEMENT SERVICE
Alaska Outer Continental Shelf Region
949 East 36th Avenue, Suite 300
Anchorage, Alaska 99508-4363



05 APR 2002

Mr. Guy James
AEC Oil & Gas (USA) Inc.
950 17th Street, Suite 2600
Denver, Colorado 80202

Re: Extension of the Suspension of Operations
McCovey Unit Contract Number 741000001X

Mr. James:

The MMS hereby approves your April 3, 2002 request for an extension of the Suspension of Operations (SOO) for leases OCS-Y 1576, 1577 and 1578 in the McCovey Unit. The extension to the SOO is based on your commitment to drill an exploratory well in the 2002/2003 winter season in accordance with the exploration plan as approved by the MMS on February 28, 2002 and based on inordinate delays encountered in obtaining required permits or consents pursuant to 30 CFR 250.172.

The MMS concludes that continuation of the SOO is necessary to allow you time to conduct exploratory drilling operations in accordance with 30 CFR 250.175. The SOO will continue in effect until June 30, 2003 (consistent with the duration of the McCovey Unit) or until drilling activities commence on the McCovey #1 exploratory well, whichever occurs first.

If you have any questions please contact Mr. Doug Choromanski at (907) 271-6066.

Sincerely,

Jeffrey Walker
Regional Supervisor
Field Operations



Mr. Guy James
AEC Oil & Gas (USA) Inc.

cc: Ms. Carol Lee
Alaska Department of Natural Resources
550 West 7th Avenue, Suite 800
Anchorage, Alaska 99501-3560

Mr. James Ruud
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P.O. Box 100360, ATO- 1470
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Mr. Corry Wollington
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Minerals Revenue Management
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